

# Business Insights

from the EDA

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## 1. Product Performance & Action:

- **High Revenue:** Five products drive the majority of sales: 'ActiveWear Smartwatch,' 'SoundWave Headphones,' 'SoundWave Novel,' 'ActiveWear Jacket,' and 'ActiveWear Rug.' These are performing well, and the current strategy seems effective for them.
- **Low Revenue:** Five products are underperforming: 'ComfortLiving Desk Lamp,' 'SoundWave Bluetooth Speaker,' 'ComfortLiving Rug,' 'ActiveWear T-Shirt,' and 'ComfortLiving Laptop.' These require immediate attention. We should analyze *why* they aren't selling (e.g., pricing, marketing, quality, or market saturation). Based on the findings, we will either adjust the products or remove them from our inventory to avoid unnecessary loss.

## 2. Regional Sales Patterns:

- **Targeted Markets:** There's a clear regional preference for products: Books in South America and Europe; Electronics in North America; and Clothing in Asia.
- **Strategic Advantage:** We need to capitalize on this knowledge by tailoring marketing strategies to emphasize relevant product categories in these regions. This could include targeted advertising, localized promotions, and optimized product displays.

## 3. Seasonal Sales Trends:

- **Book Sales:** Book sales are high in February and May, so we need to ensure a strong book stock ahead of these months
- **Constant Demand:** Clothing and home décor items show consistent sales throughout the period and should always be stocked.
- **Electronics Peak:** Electronics sales spike in July and September, hence it's crucial to have adequate inventory in place for this period.
- **December Anomaly:** The very low sales in December 2023 is concerning. This could indicate an issue with sales recording (if it was a new

company) or could signal a problem that needs further analysis like marketing strategy.

#### 4. Key Sales Months:

- **High Volume Months:** January, July, September, and December are high volume months for our sales overall.
- **Inventory Needs:** This consistent demand pattern emphasizes the need to ensure adequate product stock is available for all categories in these months to prevent stockouts.

#### 5. Customer Sign-Up & Conversions

- **Lost Conversions:** A substantial 20% of orders are made by customers without an account. This shows that there is an issue in customer conversions,
- **Engagement Opportunity:** The data reveals that around half of the customers place an order almost a year after signing up. This represents a lost opportunity for conversions.
- **Improve Conversion:** We need to implement strategies that encourage customers to transact shortly after signup, improving customer engagement and conversion rates.

#### 6. Geographical Customer Analysis:

- **South America Dominance:** South America represents both our largest customer base and the biggest revenue generator which highlights its importance.
- **High-Value Asia:** While Asia has a smaller customer base, its customer generates the second most revenue per customer. This implies that Asian customers tend to place higher-value orders.
- **Growth Potential:** To maximize profitability, we should explore marketing tactics to grow our Asian customer base, specifically target our high value customer base.